REMARKS

Claims 23-49 are pending in the application. Claims 23 and 38 are amended herein. The Applicant hereby requests further examination and reconsideration of the application in view of the foregoing amendments and these remarks.

Claims 37 and 49 are allowed. Claims 23-36 and 38-48 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. There are no rejections over prior-art.

Support for the amendment of claims 23 and 38 can be found in Applicant's specification, e.g., in Figs. 1-2 and on page 7, lines 1-27.

The amendment of claim 23 ties method claims 23-36 to a transmitter of a conditional access system. The amendment of claim 38 ties method claims 38-48 to a receiver of a conditional access system. It is therefore submitted that amended claims 23-36 and 38-48 meet the requisite "machine-or-transformation test" articulated in *Bilski*. The Applicant submits therefore that the rejections of claims under § 101 have been overcome.

In view of the above amendments and remarks, the Applicant believes that all pending claims are in condition for allowance. Therefore, the Applicant believes that the entire application is now in condition for allowance, and early and favorable action is respectfully solicited.

In the event that the Examiner believes that this amendment does not place the application in condition for allowance, the Applicant requests a telephonic interview between the Examiner and the Applicant's attorney Yuri Gruzdkov to discuss this amendment. The Applicant respectfully requests that the Examiner call Mr. Gruzdkov (215-557-8544) to arrange a convenient time for such an interview.

Fees

During the pendency of this application, the Commissioner for Patents is hereby authorized to charge payment of any filing fees for presentation of extra claims under 37 CFR 1.16 and any patent application processing fees under 37 CFR 1.17 or credit any overpayment to Mendelsohn, Drucker, & Associates, P.C. Deposit Account No. 50-0782.

The Commissioner for Patents is hereby authorized to treat any concurrent or future reply, requiring a petition for extension of time under 37 CFR § 1.136 for its timely submission, as incorporating a petition for extension of time for the appropriate length of time if not submitted with the reply.

Respectfully submitted,

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